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Utah Counties Insurance Pool

Understanding Your Insurance Policy (Coverage Agreement)

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AGENDA

- ❖ You CAN read your policy!
 - (and you SHOULD!)
- ❖ What's a Coverage Agreement?
- ❖ DICE
- ❖ Exclusions/Limitations
- ❖ What can I do about exclusions?




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UCIP Coverage Agreement

- ❖ It is not that hard to read.
- ❖ And you should read it – but not like a book. You read it like a TV Guide.
- ❖ There is a “method” to reading Coverage Agreements and Insurance Policies.
- ❖ Called D-I-C-E



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Coverage Agreement

- ❖ *Coverage Agreement = Memorandum of Coverage = Insurance Policy.*
- ❖ But the benefits of the Coverage Agreement include customized coverage's for Utah Counties (weed spraying).
- ❖ Better Interpretation of coverage by your staff (not some adjuster from out-of-state).
- ❖ Written by your representatives/Board.



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UCIP Coverage Agreement

- ❖ D = Declarations
- ❖ I = Insuring Agreement
- ❖ C = Conditions
- ❖ E = Exclusions

Note: You can always call staff, too.



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UCIP Coverage Agreement

- ❖ DECLARATIONS
- ❖ Your County
- ❖ The dates of coverage (Year)
- ❖ Limits/Types of Coverage
- ❖ Sub-limits/Exclusions




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UCIP Coverage Agreement

- ❖ INSURING AGREEMENT
- ❖ One per Section (I, II, III)
- ❖ **I. Property**
 - Auto Physical Damage
 - Crime
- ❖ **II. General Liability**
 - E & O
- ❖ **III. Auto Liability**




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Conditions

- ❖ Describe obligations that your county has as a member to keep coverage in force and in respect of claims.
 - Arbitration/Disputes




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Exclusions

- ❖ Found in several places – first in the General section, meaning they apply to ALL coverage.
- ❖ And then in each Section (there are 3), meaning they apply just to that section.




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- ❖ **BUILDER'S RISK - \$5,150,000 (90 Days)**
 - Coverage for new construction – new buildings or “modernization” of existing structures.
 - **YOU DO NOT NEED TO BUY FROM CONTRACTOR (up to \$5MM)**
 - Does not apply to Faulty Design
 - Does not apply to “warranty work”



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❖ **BOILER & MACHINERY – EQUIPMENT BREAKDOWN**

- Steam Boilers/Pressure Vessels
- Machinery – to run air conditioning, elevators or other important building operations.
- Mostly it's for loss control



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❖ **AIRPORTS/AIRCRAFT**

- Airports have unique exposures such as air shows, hangar keepers
- Aircraft – “Hull” coverage for the aircraft and Aircraft Liability for the crew, passengers and third parties.



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❖ **ENVIRONMENTAL IMPAIRMENT**

- If your County sells, processes, transports, stores, disposes or handles toxic/hazardous substances.
- Severe: Hazardous Waste Treatment, Landfills
- Policies cover “clean-up” and liability



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❖ **MEDICAL MALPRACTICE**

- Physicians, Dentists, Nurses, Therapists, Optometrists, EMT's and Veterinarians
- Clinics, Nursing Homes, Long Term Care
- Detention Centers
- Agent of the County???




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- ❖ **EXCESS LIABILITY**
 - A Policy that “sits over” other policies to increase the County’s limits
 - Tort Claims Act
 - Civil Rights – Federal Court, Out-of-State




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- ❖ **SPECIAL EVENTS/TULIP**
 - Fairs, Carnivals, Concerts, Rodeos, Races, Festivals, Community Events
 - Coverage for the County vs. Coverage for the “sponsor”
 - Special Exposures: Alcohol, Entertainment, Concessions, High Danger Activities



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Summary

- ❖ You CAN Read your Coverage Agreement
- ❖ You Should Read your Coverage Agreement
- ❖ Think TV Guide
- ❖ Staff can help, too!!

- ❖ Call if you notice an uncovered exposure.



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